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PP RUEHBI  
DE RUEHLM #0666/01 1921111  
ZNR UUUUU ZZH  
P 101111Z JUL 08  
FM AMEMBASSY COLOMBO  
TO RUEHC/SECSTATE WASHDC PRIORITY 8400  
INFO RUEHKA/AMEMBASSY DHAKA PRIORITY 1004  
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 7993  
RUEHKT/AMEMBASSY KATHMANDU PRIORITY 6168  
RUEHLO/AMEMBASSY LONDON PRIORITY 4484  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 2168  
RUEHNY/AMEMBASSY OSLO PRIORITY 4447  
RUEHKO/AMEMBASSY TOKYO PRIORITY 3548  
RUEHCG/AMCONSUL CHENNAI PRIORITY 8602  
RUEHBI/AMCONSUL MUMBAI PRIORITY 6047  
RUEHON/AMCONSUL TORONTO PRIORITY 0709  
RUEHGV/USMISSION GENEVA PRIORITY 2865  
RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY  
RHEFDIA/DIA WASHINGTON DC PRIORITY  
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY  
RUEHBS/USEU BRUSSELS PRIORITY

UNCLAS SENSITIVE SECTION 01 OF 02 COLOMBO 000666

C O R R E C T E D C O P Y (CHANGING CLASSIFICATION)

SIPDIS

DEPARTMENT FOR SCA/INS

E.O. 12958: DECL: 07/10/2018

TAGS: [PGOV](#) [PREL](#) [PTER](#) [PHUM](#) [ECON](#) [CE](#)

SUBJECT: SRI LANKA: GENERAL STRIKE BRINGS INCONVENIENCES  
BUT NO MAJOR DISRUPTIONS

REF: A. COLOMBO 653

[1](#)B. COLOMBO 571

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[1](#)1. (U) SUMMARY: Public sector unions, led by the JVP, had only modest impact with a planned general strike July 10, with most public and private service functioning nearly normally. The unions sought higher wage increases than what the government was willing to give. While high inflation is the major reason for the unions' salary demands, the attempted general strike clearly had the political goal of discrediting the government, as the JVP and opposition UNP called on the government either to reduce expenditures on its large cabinet, cancel upcoming provincial council elections, or the upcoming SAARC summit. End summary.

[1](#)2. (U) On July 10 members of the National Trade Union Center (NTUC), an umbrella organization of public-sector unions throughout the country, went on strike following a call by the JVP and other opposition parties to demand higher wages. The JVP, with NTUC's support, called for a Rs 5000 (USD 46.45) a month raise for public sector employees. The GSL countered with a Rs 1000 (USD 9.30) a month raise. The JVP, UNP and the unions rejected the counter-proposal and insisted that if the government needed to raise money to pay for the salary increase it could save cash by canceling the upcoming provincial council elections, trim the cabinet or cancel the SAARC Summit in Colombo at the end of the month. (Note: The JVP and UNP had already tried and failed to challenge the GSL's dissolution of the two provincial councils in court (ref B).) While the strike was politically motivated, rampant inflation of 28.2% (June-on-June) is causing significant hardship, especially for low-paid public sector workers.

[1](#)3. (U) Despite claims by the JVP that the strike would cripple the public sector including such essential services as electricity, transportation and health care, life continued on with only minor inconveniences. The most affected sector appears to be the schools; most parents kept

their children at home fearing clashes on the streets and assuming most teachers would not report for work. Some Post offices were also forced to close. There were only minor disruptions to train services and reports indicate that 60% of the public buses are running. Hospitals have remained open; however, some administrators at the National Hospital in Colombo did not show up for work.

14. (U) In the days leading up to the strike, union leaders reported visits by police officials attempting to intimidate them to call off the protest. Senior Minister Nimal Siripala De Silva said the day before the strike that the government had the right to "crush the union's actions through democratic means," and argued that the JVP, by calling for the strike, was helping the LTTE. Nevertheless, despite fears that the strike would be accompanied by confrontations between the police and union members, with exception of an isolated incident in Kandy, Post received no reports of violent clashes in the country today.

15. (SBU) COMMENT: In rejecting the unions' and opposition parties' demands the GSL claimed that the strike was being used by the UNP to cover up and distract the public from the UNP's inner-party bickering. By linking demands for public sector wage increases to the cancellation of the provincial council elections the JVP and UNP undercut the unions' focus on the rising cost of living throughout the country. The strike can be seen as the opening salvo in the seven week campaign leading up to the August 23rd provincial council elections. Opposition leader Wickremasinghe told Ambassador he expects trade union agitation to continue to protest the country's rising cost of living. The Opposition's inability to rally more workers, despite government pressure on the

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unions, is an early indication that while not impossible, their ability to win a majority of seats in the provincial councils will be difficult. End Comment.  
BLAKE